## Message Text

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**ACTION EUR-12** 

INFO OCT-01 ISO-00 SSC-01 SAM-01 CIAE-00 COME-00 EB-07

INR-07 LAB-04 NSAE-00 SIL-01 TRSE-00 IO-10 DODE-00

PM-03 H-01 L-02 NSC-05 PA-01 PRS-01 SP-02 SS-15

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TAGS: ELAB, PINT, SP

SUBJ: LABOR MINISTERS RESIGNATION AND CABINET RESHUFFLE RUMORS

REF: A) MADRID 1329, B) MADRID 1353

BEGIN SUMMARY: ONE WEEK SINCE HIS RESIGNATION, NO ONE HAS YET BEEN NAMED TO REPLACE LABOR MINISTER DE LA FUENTE. RUMORS INCREASINGLY ATTRIBUTE THE DELAY TO THE POSSIBILITY OF A MUCH BROADER IMPENDING CABINET RESHUFFLE INVOLVING VARIOUS MINISTERS, OR EVEN TO A POSSIBLE COMPLETE REORGANIZATION OF THE GOVERNMENT WITH THE CREATION OF NEW MINISTRIES AND THE DESIGNATION OF FOUR VICE PRESIDENTS AS "SUPER MINISTERS". END SUMMARY.

1. RESIGNATION OF LABOR MINISTER DE LA FUENTE WAS PUBLICLY ANNOUNCED BY PREMIER ARIAS IN HIS FEBRUARY 26 PRESS CONFERENCE, AND WAS REPORTEDLY ACCEPTED BY FRANCO WHEN DE LA FUENTE CALLED ON FRANCO ON FEBRUARY 27. IT ALSO HAS BEEN CONFIRMED THAT PRIMARY REASON WHICH PROMPTED LABOR MINISTER'S RESIGNATION WAS HIS ADAMANT OPPOSITION TO THE INSISTENCE OF CERTAIN OTHER CABINET MINISTERS ON RETAINING EMPLOYERS' RIGHT TO FIRE WORKERS LIMITED OFFICIAL USE

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ENGAGED IN WILDCAT STRIKES IN THE DRAFT DECREE CURRENTLY BEING

CONSIDERED BY THE GOVERNMENT WHICH WOULD GRANT A MODIFIED RIGHT TO STRIKE UNDER CERTAIN CIRCUMSTANCES.

- 2. ALTHOUGH WEEK HAS NOW PASSED SINCE DE LA FUENTE'S RESIGNATION, NO REPLACEMENT HAS YET BEEN NAMED. DELAY IN FILLING THIS POSITION HAS ONCE AGAIN LED TO INTENSIFIED SPECULATION AND RUMORS THAT ADVANTAGE MAY BE TAKEN OF THE LABOR MINISTER'S RESIGNATION TO INSTITUTE A BROADER CABINET RESHUFFLE AT THIS TIME RATHER THAN LATER THIS YEAR AS ARIAS REPORTEDLY PLANNED.
- 3. THERE ARE THREE RUMORED POSSIBLE SOLUTIONS: (A) THE SIMPLE REPLACEMENT OF THE LABOR MINISTER, WITH THE REST OF THE CABINET REMAINING IN PLACE (THIS SIMPLE SOLUTION APPEARS MUCH LESS LIKELY NOW THAN DURING THE FIRST DAY OR TWO AFTER DE LA FUENTE'S RESIGNATION); (B) A PARTIAL CABINET RESHUFFLE, WITH THE MOST LIKELY CABINET MINISTERS TO BE REMOVED (OR TRANSFERRED TO HEAD OTHER MINISTRIES) RUMORED TO INCLUDE JUSTICE MINISTER RUIZ JARABO, INDUSTRY MINISTER SANTOS BLANCO, COMMERCE MINISTER FERNANDEZ CUESTA, SYNDICAL MINISTER FERNANDEZ SORDO, AGRICULTURE MINISTER ALLENDE. EDUCATION MINISTER MARTINEZ ESTERUELAS. AND MOVIMIENTO MINISTER UTRERA (LATTER TWO MINISTERS WOULD BE TRANSFERRED TO HEAD OTHER MINISTRIES. NOT REMOVED FROM CABINET. ACCORDING TO RUMOR MILL); OR (C) A COMPLETE CABINET CHANGE COMBINED WITH AN ENTIRELY NEW RESTRUCTURING OF THE GOVERNMENET, WITH THE ADDITION OF SEVERAL NEW CABINET POSITIONS (E.G. A NEW MINISTRY OF HEALTH, POSSIBLE NEW MINISTRIES OF SOCIAL WELFARE OR OF YOUTH AND SPORTS, A DIVISION OF THE INFORMATION AND TOURISM MINISTRY INTO TWO SEPARATE MINISTRIES, ETC.) AND THE POSSIBLE REPLACEMENT OF MOST CABINET MINISTRIES UNDER THE DIRECT SUPERVISION OF FOUR VICE PRESIDENTS (I.E., FOR POLITICAL, ECONOMIC, DEFENSE, AND SOCIAL AFFAIRS) WHO WOULD IN ESSENCE BE SUPERMINISTERS (SUCH A GOVERNMENT REORGANIZATION SCHEME WAS WIDELY RUMORED TWO MONTHS AGO. ALTHOUGH THE RUMOR THEN SUBSIDED. BUT THE RUMOR HAS BEEN REACTIVATED IN CURRENT MINISTERIAL CRISIS.)
- 4. MANY NAMES OF POSSIBLE MINISTERIAL CANDIDATES ARE BEING RUMORED. ONE OF MOST-FREQUENTLY RUMORED CANDIDATES IS FERNANDO SUAREZ GONZALEZ, CURRENTLY TECHNICAL SECRETARY GENERAL OF THE PRESIDENCY, A PROFESSOR OF LABOR LAW BY PROFESSION, ONE OF THE LIMITED OFFICIAL USE

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YOUNG GEGIME LIBERALIZERS, AND AN EMBASSY IVP GRANTEE WHO VISITED THE U.S. ON A LEADER GRANT IN 1972. ADDING FUEL TO SPECULATION RE SUAREZ WAS THE FACT THAT ARIAS UNEXPECTEDLY MADE FAVORABLE MENTION OF SUAREZ IN THE PRIME MINISTER'S FEB 26 PRESS CONFERNECE. ANOTHER FREQUENT RUMOR HAS IT THAT CURRENT MOVIMIENTO MINISTER UTRERA WILL BE TRANSFERRED TO HEAD THE LABOR MINISTRY.

5. COMMENT: THE CURRENT MINISTERIAL CRISIS IS SURROUNDED BY RUMOR AND UNCERTAINTY. THERE MUCH SPECULATION IT MAY BE RESOLVED TOMORROW, WHEN ARIAS SCHEDULED TO SEE FRANCO. DEPSITE THE UNCERTAINTIES, MOST OBSERVERS BELIEVE ARIAS HIMSELF WILL STAY ON AT THIS TIME, AND THAT ANY CHAGES WILL INVOLVE HIS CABINET COLLEAGUES, BUT NOT HIM.

6. ONE THING WHICH HAS CLEARLY EMERGED FROM LABOR MINISTER DE LA FUENTE'S RESIGNATION, IS THAT DE LA FUENTE HAS STRENGTHENED HIS POTENTIAL POLITICAL POSITION FOR THE FUTURE, SINCE HE CAN RIGHTLY CLAIM THAT HE RESIGNED OVER THE DEFENSE OF WORKER RIGHTS INVOLVING A MATTER OF PRINCIPLE. EATON

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## Message Attributes

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